

KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 01-105

SECOND SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

Pursuant to 220 C.M.R. § 1.06(6)(c) the Department of Telecommunications and Energy ("Department") submits to KeySpan Energy Delivery New England ("KeySpan" or the "Company") the following Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if KeySpan or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve one copy of the responses on Mary Cottrell, Secretary of the Department, and one copy to the Service List.

Questions

- D.T.E. 2-1 Please discuss the decision making process that the Company engages in when purchasing gas for storage during the off-peak season. Include in the discussion a list of all factors that the Company considers when determining the appropriate amount and price at which gas is procured for injection. Also, please discuss whether or not futures and options may be helpful tools in procuring gas for storage.
- D.T.E. 2-2 When will the Company's portfolio management agreement with El Paso Merchant Energy terminate? Please discuss in detail KeySpan's plan to manage the Company's commodity needs after the El Paso agreement expires.
- D.T.E. 2-3 Has the Company forecasted natural gas prices for the next 5 years? If so, please include a copy of the forecast results, with all relevant analyses.
- D.T.E. 2-4 Has the Company forecasted natural gas volatility for the next 5 years? If so, please include a copy of the forecast results, with all relevant analyses.
- D.T.E. 2-5 What price does city gate natural gas have to reach in order to make LNG a profitable alternative resource for base-load supplies?
- D.T.E. 2-6 Please refer to the Company's filing, section IV, page 118. The Company states "KeySpan is currently working with a consortium of LDCs to create a Request for Proposals ("RFP") for the supply that is associated with the Boundary capacity."
- (a) Please identify a time-frame when the Company expects to make a decision regarding the renewal of the Boundary Gas Contract. Also, please discuss in detail the potential issues that will affect the Company's decision regarding renewal of this contract.
 - (b) Please indicate when the company will issue the above referenced RFP. Please identify when responses to those RFPs will be due.

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- D.T.E. 2-7 If the Company should decide to seek an extension of the Boundary contract, please indicate exactly when the Department will be notified. Also, please provide a copy of the existing, Commission approved, Boundary contract.
- D.T.E. 2-8 Please refer to the Company's filing, section IV, page 130. The Company states "Although the Force Majeure was lifted, KeySpan has not yet concluded contract negotiations with DOMAC." When does the Company anticipate the above mentioned contract negotiations will be concluded. Please discuss the contract specifications/details that the Company seeks to obtain with DOMAC.
- D.T.E. 2-9 Please identify any locations where the Company's distribution system may not be adequate to meet customer requirements. Please provide sufficient information to demonstrate that the distribution system is adequate in all other locations.
- D.T.E. 2-10 Please indicate plans for demand-side management within the service territory. How much of the forecasted increases in demand can be met with demand-side management programs. Please compare the costs and environmental impacts of demand-side management, relative to meeting demand with increased levels of other resources.
- D.T.E. 2-11 Please refer to the table on page 10 of the Company's filing. Please indicate the time period for which the tabulated quantities accurately represent the Company's available daily resources.
- D.T.E. 2-12 Please refer to pages 10 and 11 of the Company's filing for the following questions.
- (a) Please provide a total figure, expressed in MMBtus/day, that represents the long-haul capacity the Company is currently entitled to transport from the west (i.e., from Gulf of Mexico and Western Canada);
 - (b) Please provide a total figure, expressed in MMBtus/day, that represents the short-haul capacity the Company is currently entitled to transport from the west (i.e., from central Pennsylvania and New York);
 - (c) Please provide a total figure, expressed in MMBtus/day, that represents the capacity the Company is currently entitled to transport from eastern Canada; and
 - (d) How does the Company's total contracted pipeline capacity relate to the resources tabulated on page 10.

- D.T.E. 2-13 Referring to the category “supplemental resources” on page 11 of the Company’s filing, please clarify whether the supplemental resources comprise the upstream and on-system resources tabulated on page 10 of the Company’s filing. Also please clarify whether the supplemental resources comprise LNG and propane.
- D.T.E. 2-14 Please refer to pages 12 and 111 of the Company’s filing. Please discuss how attempting to balance pressures across the distribution system differs from meeting fluctuations in customer requirements.
- D.T.E. 2-15 Referring to page 15 of the Company’s filing, please describe the market changes as a result of which the Company is now able to purchase supplies at points within and downstream of zone 4. Also, please explain what FS-MA stands for.
- D.T.E. 2-16 Please refer to page 16, last bullet, of the Company’s filing. Would the Company have sufficient resources if Algonquin’s LNG facility in Providence, Rhode Island, became unavailable.
- D.T.E. 2-17 Please refer to Chart II-C-2. How do the Company’s Bourne and Sagamore pipelines cross the Cape Cod Canal.
- D.T.E. 2-18 Please refer to page 23 of the Company’s filing. Please quantify the current capacity of the Bourne and Sagamore lines, under design weather planning conditions. Please quantify the increases in capacity that would result from adding an LNG facility, as previously proposed by Colonial Gas, and from the proposed pipeline project.
- D.T.E. 2-19 Please refer to page 24 of the Company’s filing. Please provide relevant information on Algonquin’s G Lateral, such as its origin and terminus, date of last upgrade, current capacity, maximum and minimum acceptable pressures, principal customers, and location of compression facilities.
- D.T.E. 2-20 Please refer to page 24 of the Company’s filing. What is the relationship between the HubLine project and Algonquin’s G Lateral? How does the HubLine project make additional delivery to Cape Cod possible?
- D.T.E. 2-21 Please refer to page 24 of the Company’s filing. Please describe the upgrades or expansions that the Company expects Algonquin might undertake on its G Lateral, given increased supply from the Hubline project and increasing local demand.

- D.T.E. 2-22 Please refer to page 25 of the Company's filing. How does the term "normal operating pressure" (on line 4) relate to "maximum allowable operating pressure"? What is the MAOP of the Sagamore line? Is there a regulator at the Sagamore Gate Station? What is the setting on the regulator upstream of the Sagamore line?
- D.T.E. 2-23 Please refer to page 25, footnote 18, of the Company's filing. At what delivery rate (in MMBtu/day) has Algonquin generally provided gas at a pressure of 270 psig?
- D.T.E. 2-24 Please refer to pages 25 and 26 of the Company's filing. Please provide copies of the analyses that determined that LNG facilities would be insufficient to meet longer-term supply and reliability needs on Cape Cod (and other areas of the KeySpan distribution system). Also, please state the amount of years the existing LNG facilities meet the needs of the Cape Cod division, and indicate any reliability concerns.
- D.T.E. 2-25 Please refer to page 26 of the Company's filing. How will it be assured that Algonquin would (1) upgrade its G-Lateral facility to accommodate increased flow of gas to Cape Cod, and (2) guarantee a minimum delivery pressure of 270 psig at both the Bourne and the Sagamore Gate Stations?
- D.T.E. 2-26 Please refer to page 26 of the Company's filing. What pipeline company is responsible for delivering gas to KeySpan at Ponkapoag?
- D.T.E. 2-27 Please refer to pages 26 and 27 of the Company's filing. Why does the Company specifically cite that Algonquin is not guaranteeing 270 psig at the Bourne take station but makes no such note regarding the Sagamore take station?
- D.T.E. 2-28 Please refer to page 29 of the Company's filing. Please define the "Algonquin side" and the "Tennessee side" of the KeySpan system?
- D.T.E. 2-29 Please refer to Chart II-A-2 of the Company's filing. Please explain what the numerical values in the sample "Daily Game Plan" represent, and how the Company uses this information to assure reliable, low-cost delivery of gas to customers.
- D.T.E. 2-30 Please refer to Chart II-C-2 of the Company's filing. Please indicate whether the pipeline pressures shown are MAOPs.

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- D.T.E. 2-31 Please refer to Chart II-C-2 of the Company's filing. Please provide a version of this map, showing pipeline diameters as well as pipeline pressures.
- D.T.E. 2-32 Please refer to Chart II-C-3 of the Company's filing. If the HubLine project is built at a 30" diameter instead of a 24" diameter, would that change any of KeySpan's analyses of resources? Please explain.
- D.T.E. 2-33 Please refer to page 68 of the Company's filing. Do customers on firm transportation from KeySpan buy their transportation through their commodity supplier or direct from KeySpan? Please explain.
- D.T.E. 2-34 Please refer to page 92 of the Company's filing. The Company indicates that it maintains contracts for 11.5 percent of the design-day requirement but only 6 percent of KeySpan's long-haul delivered commodity supply. Please explain why the Company has selected this apportionment, and elaborate on how 6 percent of the Company's capacity under normal conditions turns to 11 percent on design day.
- D.T.E. 2-35 Please refer to page 95 of the Company's filing. What are the costs associated with these contracts; are there any charges that increase with actual use of these capacity entitlements? Please explain.
- D.T.E. 2-36 Please refer to page 106 of the Company's filing. Does underground storage change the moisture content of natural gas, or any other characteristics of natural gas?
- D.T.E. 2-37 Please refer to Table G-14 of the Company's filing. For each of the fuels listed in this table, please specify a typical heat content, so that the historical maximum daily sendouts in MMBtu can be compared to the tabulated design daily capacities in MCF.
- D.T.E. 2-38 Please refer to Table G-14, footnote 2, of the Company's filing. Please explain why the Company maintains storage capacity with no sendout capability.
- D.T.E. 2-39 Please refer to section V of the Company's filing. For each contract listed in purple and blue, please provide the following:
- (a) date it was entered into
 - (b) the duration
 - (c) the date that it was filed for Department review
 - (d) docket number
 - (e) the date the Department issued a decision.

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D.T.E. 2-40 Please refer to the following tables in the Company's filing: G22N (heating and non-heating), G-22D (heating and non-heating), and G-23D. For each of the scenarios, please update these tables to indicate the maximum volumes allowed under the Company's contracts with the providers.